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EXECUTIVE SECRETARY

September 12, 2001

VIA HAND DELIVERY

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

*Re: Petition of United Telephone Company to Change and Increase Certain Intrastate Rates and Charges So As to Permit It To Earn a Fair and Adequate Rate of Return on Its Property Used and Useful in Furnishing Telephone Service to Its Customers in Tennessee and To Adopt New and Realistic Depreciation Rates for Central Office Equipment.
Docket No. 01-00451*

Dear Mr. Waddell:

Pursuant to and in compliance with the Pre-Hearing Officer's Order granting Agreed Motion and Amending Procedural Schedule dated September 7, 2001, on behalf of United Telephone Company, we are filing herewith the original and 13 copies of the following:

1. Supplemental Petition; and
2. Supplemental Testimony of Joe M. Enoch to support request for rate increases, and attached Exhibits 1 through 12.

Mr. K. David Waddell
September 12, 2001
Page 2

Should you have any questions with respect to this filing, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Dale Grimes". The signature is fluid and cursive, with the first name "R." and last name "Grimes" clearly distinguishable.

R. Dale Grimes

RDG/gci

Enclosures

Cc: J. Richard Collier, Esq. (w/ enclosures)
R. Terry Buckner, Esq. (w/ enclosures)
Vance L. Broemel, Esq. (w/ enclosures)
Joe Shirley, Esq. (w/ enclosures)
Gary Hotvedt, Esq. (w/ enclosures)
Mr. Herb Bivens (w/ enclosures)
Mr. Joe M. Enoch (w/ enclosures)
T.G. Pappas, Esq. (w/ enclosures)

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE: PETITION OF THE UNITED TELEPHONE)
COMPANY TO CHANGE AND INCREASE)
CERTAIN INTRASATE RATES AND)
CHARGES SO AS TO PERMIT IT TO EARN A)
FAIR AND ADEQUATE RATE OF RETURN)
ON ITS PROPERTY USED AND USEFUL IN)
FURNISHING TELEPHONE SERVICE TO ITS)
CUSTOMERS IN TENNESSEE AND TO ADOPT)
NEW AND REALISTIC DEPRECIATION RATES)
FOR CENTRAL OFFICE EQUIPMENT)

Docket No. 01-00451

SUPPLEMENTAL PETITION

United Telephone Company (Company), the petitioner in the above styled matter heretofore filed a petition on May 22, 2001 seeking to change and increase certain intrastate rates and charges so as to permit it to earn a fair and adequate rate of return on the property used in furnishing telephone service to its customers and to change and adopt new depreciation rates. Since the filing of the petition, testimony and exhibits, the Company has responded to all data requests received. In responding to the data requests the Company has discovered a few errors in the testimony and exhibits and that some of the information that was used has changed since the filing of the petition. In order to correct errors newly discovered and to properly reflect changes that have occurred, the company is filing this Supplemental Petition and Supplemental Testimony and Revised Exhibits of Joe M. Enoch, its accounting witness, in support thereof:

1. The company would state that supplemental testimony of Joe M. Enoch and the Revised Exhibits 1-12 set out the errors that were discovered and the corrections made to

the original exhibits. The Revised Exhibits 1-12 are to be substituted for the Original Exhibits heretofore filed.

2. The Company would further state that: (a) with the changes and corrections made as explained in the Supplemental Testimony and Revised Exhibit 1-12; (b) the proposed filed tariffs; and (c) the corrected 2002 rate base of \$41,064,144.23 for the attrition year 2002, the proposed earned rate of return would be 5.915% instead of 4.85% as previously stated in the original petition. (See Revised Exhibit 1 to Supplemental Testimony of Joe M. Enoch) While this is still less than the fair rate of return proposed by the company of 6.740% it would not be as great a difference as originally represented in paragraph 12 of the original petition.

3. The Company avers that the foregoing changes and corrections as set out herein and in the Supplemental Testimony and Revised Exhibits and the Tariffs as originally filed are all necessary and proper and are designed to afford the Company the opportunity to more nearly approach achieving earnings that are fair and reasonable on its investments in Tennessee.

4. The Company further avers that the tariffs as filed and the return on equity and the overall rate of return that it has requested are all fair and reasonable and in the best interest of the Company and the customers it serves and therefore should be approved.


WHEREFORE, the Company requests that the Authority:

1. Accept the filing of this Supplemental Petition and the Supplemental Testimony and Revised Exhibits of its witness Joe M. Enoch.
2. That it grant the relief prayed for in the Original Petition and such other relief as may be required in light of the evidence to be produced at the hearing of this matter.

This the 12 day of September, 2001.

UNITED TELEPHONE COMPANY


Herbert R. Bivens
General Manager

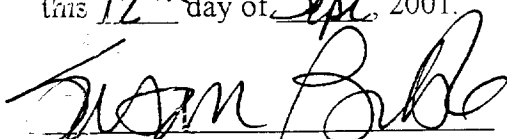

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STATE OF TENNESSEE
COUNTY OF DAVIDSON

Herbert R. Bivens, makes oath that he is General Manager of United Telephone Company Petitioner herein; that he has read the foregoing Supplemental Petition and the contents thereof are true to the best of his knowledge, information and belief.


Herbert R. Bivens

Sworn to and subscribed before me
this 12th day of Sept., 2001.


NOTARY PUBLIC

1-29-02

SUPPLEMENTAL TESTIMONY TO SUPPORT REQUEST FOR RATE INCREASES
UNITED TELEPHONE CO., INC.

1. Q. Mr. Enoch, you have previously submitted testimony and Exhibits in support of United Telephone Co. (Company) request for an increase in the basic service and service charge rates. Why are you offering supplemental testimony and revised Exhibits?
 - A. Subsequent to the preparation and submission of my testimony and Exhibits I became aware of several errors that I made in my preparation of the Exhibits. Some of the errors were brought to my attention by TRA staff. In preparing the revisions, I have tried to use more up to date information regarding the nature and timing of telephone plant additions.
2. Q. How would you like to discuss your revisions to the Exhibits?
 - A. I would like to start with Exhibit 12 and work to Exhibit 1. In this way the background information will be discussed first with the summary and conclusion last. If that is agreed I will continue beginning with Exhibit 12. I have changed the balance at the end of each year of the Unamortized Extraordinary Retirement at the bottom right of the Exhibit to reflect that the amortization of the Extraordinary Retirement would not begin until 2002. As you can see, the balance as of December 31, 2001 is still the amount of the calculated Extraordinary Retirement, \$3,210,761.62.
3. Q. Mr. Enoch, what is the next Exhibit that you have made changes?
 - A. I did not make any changes to Exhibit 11. However, there are changes to Exhibit 9 & 10 that are very important. The Company and I believed that the customer growth rate experienced in 2001 should be used to forecast Basic Area Revenue instead of the historical trend the Company had experienced during 1998 through 2000. The current economic conditions have slowed new customer growth slightly. Based on customer growth in 2001, access line growth was reduced to 45% of the original access line growth forecast. While the demand for new service has slowed some for the short term, the potential for growth still exists. It is the long term growth potential that is forcing the Company to continue with construction projects that will allow the Company to meet the new customer growth when it materializes. The updated access line information reduced the forecast Basic Area Revenue by approximately \$170,000 to \$2,630,465.
4. Q. Are there any other changes on Exhibit 10?
 - A. Yes, two other changes were to Exhibit 10. The first change was made to correct an error in the calculation of forecasted Service Order & Foreign List Revenue. I had inadvertently made an error in compiling the linkage on the spreadsheet which overstated the amount of revenue. The corrected forecast increase in Service Charge Revenue of \$180,629.50 as requested as a part of the case as detailed on Exhibit 11 is added to the revenue forecast of the existing Service Order & Foreign List revenue before the requested increase.

The second area that a change was deemed to be needed, was in regard to Switched Access – Intrastate Revenue. When the original Exhibits were filed, the Company believed that this revenue was going to actually decrease or level off due to changes that were anticipated in the industry. This access revenue was forecast for \$2,500,00 for 2002. The Company now believes that the leveling off of this revenue will occur as 2001 progresses into 2002. While there may be a decline in the access rates, this will be offset by the growth in usage resulting in a flattening of the revenue. The 2002 Switched Access – Intrastate is forecast at the same level as the 2001 annualized revenue based on the first five months of 2001. All of the revised revenues were carried forward to the Summary on Exhibit 6.

5. Q. Did you make any changes to your Exhibits 7 and 8 regarding income and other operating Taxes?
- A. Yes, Exhibit 7 was changed to correct the calculation of the franchise tax. Exhibit 8 was changed to update the Operating Expenses for changes made to some of the expense accounts that staff questioned and to use a different tax rate to calculate Federal Income Tax Expense. These changes carry forward to Exhibit 5 in the calculation of Net Operating Income.
6. Q. Did you make any other changes to Exhibit 6, other than the changes brought forward from Exhibit 10?
- A. On exhibit 6, Long Distance Revenue Service was changed to reflect the annualization of the 2001 balances through May 31, 2001. This results in a negative revenue total of \$112,110. The forecast of uncollectible accounts was updated to reflect the new revenue totals.
7. Q. Besides the previously discussed error corrections and changes, would you like to bring any other changes to our attention?
- A. Yes, one area of expense was questioned by the staff that needed clarification. Under Customer Operation Expense, the expense account, Customer Operation Expense/LM Berry was forecast too high. The Company had paid two years within the year 2000 and I assumed that the increase was due to increased fees by the phone book company. The Company believes that approximately \$80,000 is a fair level of expense for 2001 and 2002. The Company has just recently determined that another account under Customer Operation Expense is going to increase due to changes by BellSouth. Payments to BellSouth charged to account # 6622.3000 will increase from the present range of \$700 per month to approximately \$9,000, an increase of \$100,000 in 2002. BellSouth and the Company negotiated a phase in of the increase from July, 2001 at \$2,000 with an additional \$1,000 per month until in January, 2002 the charge should be \$9,000.
8. Q. Did you make any changes that affected depreciation expense?
- A. In formulating responses to staff requests for information, we determined that more plant closings were going to be Central Office Equipment and less in Outside Plant. The timing and amount of these differences were used to correct the previous forecast information. The changes increased depreciation expense since, COE has a higher percentage depreciation rate as compared to Outside Plant or Buildings. However, depreciation expense is decreased from the original exhibits due to removing the depreciation estimated on the previously unclassified Construction in Progress amounts. Rather than lose the impact of the depreciation on the construction projects, the Company forecast the dates of closing for the various plant related construction projects. Depreciation was calculated on the revised plant account totals using the requested rates.
9. Q. What changes were made to Exhibit 4?
- A. The only change made to Exhibit 4 was to reflect the Federal Tax Rate at 34% rather than 35%.
10. Q. Did you make any changes to Exhibit 3?

- A. Yes, an allowance for the debt to finance the construction was added in the amount of \$9,000,000 at 6.25%. This lowered slightly the calculated cost of capital to 6.740% from the previous calculation of 6.845%.

11. Q. Exhibit 2 details your forecast of Rate Base, discuss your changes regarding this Exhibit.

- A. The staff brought to my attention the need to include Deferred Unamortized ITC to the Rate Base calculation. Therefore, I added \$95,076 and \$68,468 to the deductions from Rate Base for the years 2001 and 2002 respectively.

Changes made to plant accounts impacted the amounts on line 1, Utility Plant in Service including CWIP. These changes resulted in a decrease on line 1 of approximately \$200,000 for 2002 and \$500,000 for 2001. The original Exhibits reflected plant and the related accumulated depreciation balance as of the end of the year for 2001 and 2002 rather than an average balance for the year. Both lines have been corrected to reflect an average balance for the year 2001 and 2002. Line 2, Unamortized Extraordinary Retirement, was updated for the changes made to Exhibit 12 as discussed previously.

The most significant change is on line 6, Accumulated Depreciation. I had previously included the Extraordinary Retirement adjustment in as of December 31, 2000, which raised the balance for the year 2001. I did not include the Extraordinary Retirement amount in the calculation of the average Accumulated Depreciation for 2001. The Extraordinary Retirement adjustment was included in the forecast for 2002.

The Accumulated Deferred Taxes (ADT) has been changed to reflect the changes in depreciation and assumed tax rates. The previous ADT was calculated to include an allowance of the Tennessee Excise Tax at 6%.

With the changes made to plant, the accumulated depreciation, unamortized extraordinary retirement and accumulated deferred taxes, the Rate Base for 2002 has been increased from \$38,546,378 to \$41,064,144.

12. Q. With all the changes that have been made to your Exhibits, what is the impact when they are summarized and brought forward to Exhibit 1?

- A. As a result of the changes to the elements of the Rate Base, Operating Income and the slight adjustment to the calculated Fair Rate of Return, the Company can still justify the request for the small change in Basic Area Revenue rates, the elimination of the customer credit and the increases in the service order fees. I believe that the depreciation rate changes requested are within reasonable estimated useful life terms for those asset classes. I still believe that it is reasonable that the Extraordinary Retirement adjustment be allowed to be made and amortized over a ten year period.

In summary, the Operating Income of \$2,429,068 calculates a Earned Rate of Return of 5.915% as compared to the calculated Fair Rate of Return of 6.740%.

13. Q. Does this conclude your testimony?

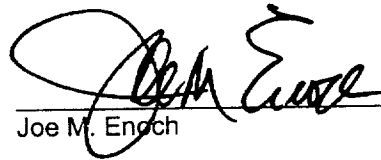
- A. Yes.

STATE OF TENNESSEE

COUNTY OF DYER

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Joe M. Enoch, who, being by me first duly sworn deposed and said that:

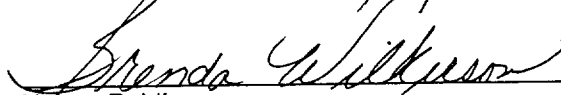
He is appearing as a witness on behalf of United Telephone Company before the Tennessee Regulatory Authority, and if present before the Authority and duly sworn, his testimony would set forth in the foregoing three pages.



Joe M. Enoch

Sworn to and subscribed before me
This 11th day of SEPT, 2001.

My Commission expires: 2/19/2003



Notary Public

EXHIBIT 1 - REVISED

Results of Operations and (Revenue Deficiency) Revenue Excess
United Telephone Company, Inc.
For the Years Ending December 31, 2001 and 2002 (Present Rates)
and 2002 (Proposed Rates)

Line No.		Present Rates		Proposed Rates	
		2001	2002	2002	2002
1	Rate Base	\$ 37,682,674.14	\$ 41,064,144.23	\$ 41,064,144.23	
2	Operating Income	2,010,079	1,907,180	2,429,068	
3	Earned Rate of Return	5.334%	4.644%	5.915%	
4	Fair Rate of Return	6.740%	6.740%	6.740%	
5	Required Operating Income	\$ 2,539,670	\$ 2,767,568	\$ 2,767,568	
6	Operating Income (Deficiency) Excess	\$ (529,590)	\$ (860,388)	\$ (338,500)	
7	Gross Revenue Conversion Factor	0.613087966	0.613087966	0.613087966	
8	Revenue (Deficiency) Excess	\$ (863,808.15)	\$ (1,403,367.32)	\$ (552,123.18)	

EXHIBIT 2 - REVISED

Rate Base Forecast
United Telephone Company, Inc.
For the Years Ending December 31, 2001 and 2002

<u>Line</u> <u>No.</u>		<u>2001</u>	<u>2002</u>
1	Utility Plant in Service Including CWIP	\$ 49,375,928	\$ 55,854,613
2	Unamortized Extraordinary Retirement	\$ 3,210,762	\$ 3,050,224
3	Materials and Supplies	\$ 300,000	\$ 300,000
4	Working Capital	\$ 325,000	\$ 350,000
5	Total Additions	<u>\$ 53,211,690</u>	<u>\$ 59,554,837</u>
6	Accumulated Depreciation	\$ 11,095,477	\$ 13,635,068
7	Accumulated Deferred Taxes	\$ 4,330,561	\$ 4,779,657
	Deferred Unamortized ITC	\$ 95,076	\$ 68,468
8	Customer Deposits	\$ 7,901	\$ 7,500
9	Total Deductions	<u>\$ 15,529,015</u>	<u>\$ 18,490,693</u>
10	Rate Base	<u>\$ 37,682,674</u>	<u>\$ 41,064,144</u>

EXHIBIT 3 - REVISED

Cost of Capital
United Telephone Company, Inc.
For the Years Ending December 31, 2001-2002

<u>Line No.</u>		<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
1	Long Term Debt	0.373%	2.000%	0.007%
2	Long Term Debt	22.813%	5.000%	1.141%
3	Long Term Debt	44.063%	6.250%	2.754%
		17.689%	6.250%	1.106%
4	Common Stock	15.062%	11.500%	1.732%
5	Total	100.000%		6.740%

EXHIBIT 4 - REVISED

Revenue Conversion Factor
United Telephone Company, Inc.
For the Years Ending December 31, 2001-2002

<u>Line No.</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Uncollectible Ratio	0.011786 A/	<u>0.011786</u>
3	Balance		0.988214
4	State Excise tax	0.060000	<u>0.059293</u>
5	Balance		0.928921
6	Federal Income Tax	0.340000	<u>0.315833</u>
7	Revenue Conversion Factor		<u><u>0.613088</u></u>

A/ Average of 1998 & 1999 uncollectible expense to total revenue before uncollectible expense

EXHIBIT 5 - REVISED

Comparative Income Statements
United Telephone Company, Inc.
For the Years Ending December 31, 2001-2002

Line No.		Present Rates		Proposed Rates
		2001	2002	2002
1	Total Revenues	9,256,709	9,983,266	11,142,039
2	Plant Specific	1,470,587	1,609,718	1,609,718
3	Plant Non-Specific(Excluding Depreciation)	363,845	391,629	391,629
4	Customer Operations	992,077	1,131,974	1,131,974
5	Corporate Operations	1,032,110	1,110,259	1,110,259
6	Depreciation and Amortization Expense	2,431,534	2,855,886	3,173,448
7	Taxes Other Than Income	775,289	829,200	829,200
8	Operating Income Taxes	181,189	147,420	466,744
9	Total Operating Expense	7,246,630	8,076,086	8,712,971
10	Net Operating Income for Return	2,010,079	1,907,180	2,429,068

EXHIBIT 6 - REVISED

Comparative Operating Revenue
United Telephone Company, Inc.
For the Years Ending December 31, 2001-2002 Under Present and Proposed Rates

Line No.		Present Rates		Proposed Rates	
		2001	2002	2002	2002
1	Local Service Revenue	2,713,441	2,926,755	4,085,528	
2	Network Access Service	5,872,010	6,589,406	6,589,406	
3	Long Distance Network Service	15,000	(112,110)	(112,110)	
4	Miscellaneous Revenue	784,513	720,237	720,237	
5	Uncollectible Expense	(128,255)	(141,022)	(141,022)	
6	Total Operating Revenues	9,256,709	9,983,266	11,142,039	

EXHIBIT 7 - REVISED

Taxes Other Than Income Taxes
United Telephone Company, Inc.
For the Years Ending December 31, 2001 and 2002

Line No.		2001	2002
1	Property Taxes	\$ 639,840.00	\$ 673,111.68
2	Franchise Tax	\$ 123,448.50	\$ 144,088.19
3	Other General Taxes		
4	TRA Inspection Fee	12,000.00	12,000.00
5	Total Taxes Other Than Income Taxes	\$ 775,288.50	\$ 829,199.87

<u>Franchise Tax</u>			
Land	\$ 174,852.85	\$	174,852.85
Buildings	\$ 2,122,846.33	\$	2,122,846.33
Equipment	\$ 46,175,763.77	\$	54,428,621.46
Autos	\$ 545,582.19	\$	545,582.19
Inventories	300,000.00		300,000.00
Rents	60,356.10		63,373.91
	\$ 49,379,401.24	\$	57,635,276.74
Franchise tax @ .25/\$100	\$ 123,448.50	\$	144,088.19

EXHIBIT 8 - REVISED

Excise and Income Taxes
United Telephone Company, Inc.
For the Years Ending December 31, 2001 and 2002

Line No.		Present Rates		Proposed Rates	
		2001	2002	2001	2002
1	Total Revenues	9,256,709	9,983,266		11,142,039
2	Plant Specific	1,470,587	1,609,718		1,609,718
3	Plant Non-Specific(Excluding Depreciation)	363,845	391,629		391,629
4	Customer Operations	992,077	1,131,974		1,131,974
5	Corporate Operations	1,032,110	1,110,259		1,110,259
6	Depreciation and Amortization Expense	\$ 2,431,534	\$ 2,855,886	\$	\$ 3,173,448
7	Taxes Other Than Income	\$ 775,289	\$ 829,200	\$	\$ 829,200
8	Net Operating Income before Excise and Income Taxes	2,191,268	2,054,601		2,895,812
9	Interest Expense	1,713,952	1,666,244		1,666,244
10	Pre-tax Book Income	477,316	388,357		1,229,568
11	Excise Taxable Income				
12	Excise Tax Rate	6.00%	6.00%		6.00%
13	Excise Tax	28,639	23,301		73,774
14	Pre-tax Book Income	477,316	388,357		1,229,568
15	Excise Tax	28,639	23,301		73,774
16	Federal Income Tax Taxable Income	448,677	365,056		1,155,794
17	Federal Income Tax Rate	34%	34%		34%
18	Federal Income Tax Expense	\$ 152,550	\$ 124,119	\$	\$ 392,970

EXHIBIT 9 - REVISED

**Forecast of Basic Area Revenue Under Proposed Rates
United Telephone Co., Inc.
For the Years Ending December 31 2001 and 2002**

Resident Lines	Credit	Present Rate	Proposed Rate	PROPOSED RATES				PRESENT RATES				PROPOSED RATES			
				Year 2000		Year 2001		Year 2002		Year 2001		Year 2002		Year 2002	
				Access Lines	Monthly Amount	Access Lines	Monthly Amount	Access Lines	Monthly Amount	Access Lines	Monthly Amount	Access Lines	Monthly Amount	Access Lines	Monthly Amount
Chapel Hill	-2.00	10.44	12.44	2354	2599	20,901.66	2795	22,762.88	2464	20,333.02	21,170.47	2552	21,273.35	21,170.47	31,203.87
Nolensville 941	-2.00	15.94	15.94	1490	1650	21,887.83	1806	24,088.74	1562	21,273.35	22,263.76	1632	22,544.80	22,544.80	25,457.99
Nolensville 776	-2.00	15.94	13.94	2535	2808	37,238.68	3072	40,983.18	2658	36,193.25	37,878.28	2777	36,193.25	37,878.28	37,878.28
College Grove	-2.00	10.44	13.94	923	962	7,954.70	1007	8,309.18	941	7,864.18	8,023.70	961	8,023.70	8,023.70	13,252.41
Bellast	-2.00	10.44	12.44	529	552	4,561.82	583	4,789.70	539	4,508.44	4,610.98	553	4,508.44	4,610.98	6,796.28
Unionville	-2.00	10.44	12.44	1776	1906	15,538.04	2028	16,601.48	1835	15,236.31	15,714.86	1889	15,236.31	15,714.86	23,162.66
Fosterville 233	-2.00	10.44	13.94	294	317	2,577.51	344	2,786.45	300	2,524.63	2,618.65	316	2,524.63	2,618.65	4,325.11
Fosterville 437	-2.00	10.44	12.44	377	406	3,305.17	440	3,573.09	340	3,237.36	3,357.93	406	3,237.36	3,357.93	4,949.36
Estill Springs	-2.00	12.44	12.44	1838	1955	19,799.46	2039	20,848.68	1891	19,463.55	19,935.70	1928	19,463.55	19,935.70	23,754.80
Flat Creek	-2.00	10.44	12.44	606	635	5,237.02	668	5,498.66	619	5,169.71	5,287.45	634	5,169.71	5,287.45	7,793.35
		158,631.18	169,104.68	12722	13790	139,001.89	14782	150,241.84	13203	135,803.80	140,861.78	13649	135,803.80	140,861.78	178,574.12
Business Lines															
Chapel Hill	-4.00	17.44	21.44	209	223	2,905.30	238	3,097.67	215	2,852.31	2,939.01	222	2,852.31	2,939.01	4,688.43
Nolensville 941	-4.00	25.44	29.44	104	114	2,334.60	124	2,544.27	108	2,276.94	2,371.29	113	2,276.94	2,371.29	3,256.10
Nolensville 776	-4.00	25.44	25.44	309	338	6,936.44	367	7,559.40	322	6,765.13	7,045.46	335	6,765.13	7,045.46	8,359.91
College Grove	-4.00	17.44	25.44	117	124	1,616.71	129	1,700.24	123	1,592.38	1,629.97	123	1,592.38	1,629.97	3,085.31
Bellast	-4.00	17.44	21.44	37	44	544.44	46	604.45	40	518.50	545.51	41	518.50	545.51	870.21
Unionville	-4.00	17.44	21.44	105	112	1,457.09	119	1,548.86	108	1,431.85	1,473.16	111	1,431.85	1,473.16	2,350.03
Fosterville 233	-4.00	17.44	25.44	25	29	360.00	32	410.00	27	346.80	368.30	28	346.80	368.30	669.03
Fosterville 437	-4.00	17.44	21.44	44	50	633.60	57	721.60	47	610.37	648.97	50	610.37	648.97	1,036.85
Estill Springs	-4.00	19.44	21.44	112	118	1,772.24	124	1,863.54	115	1,748.61	1,789.70	117	1,748.61	1,789.70	2,485.18
Flat Creek	-4.00	17.44	21.44	18	20	255.36	23	288.96	19	247.87	263.09	20	247.87	263.09	419.69
		22,363.20	25,791.20	1080	1171	18,815.77	1259	20,339.31	1121	18,390.86	19,076.45	1160	18,390.86	19,076.45	27,250.74
Key/PBX Lines															
Chapel Hill	-4.00	28.50	32.50	88	73	1,723.14	77	1,837.41	70	1,691.71	1,743.14	72	1,691.71	1,743.14	2,312.32
Nolensville 941	-4.00	40.50	40.50	109	119	4,165.55	129	4,539.66	114	4,062.67	4,231.02	118	4,062.67	4,231.02	4,694.70
Nolensville 776	-4.00	40.50	36.50	31	34	1,184.70	37	1,291.10	32	1,155.44	1,203.32	34	1,155.44	1,203.32	1,628.88
College Grove	-4.00	28.50	36.50	43	45	1,083.13	48	2,278.19	44	1,697.02	1,697.02	45	1,697.02	1,697.02	748.69
Bellast	-4.00	28.50	32.50	21	25	563.29	26	1,250.77	23	536.45	564.40	23	536.45	564.40	610.69
Unionville	-4.00	28.50	32.50	18	19	455.34	20	968.05	19	447.45	460.36	19	447.45	460.36	610.69
Fosterville 233	-4.00	28.50	36.50	0	0	0.00	0	0.00	0	0.00	0.00	0	0.00	0.00	535.81
Fosterville 437	-4.00	28.50	32.50	15	17	393.75	19	896.88	16	379.31	403.92	17	379.31	403.92	1,648.14
Estill Springs	-4.00	31.50	32.50	49	51	1,380.98	54	2,904.24	50	1,362.57	1,394.58	51	1,362.57	1,394.58	-
Flat Creek	-4.00	28.50	32.50	0	0	0.00	0	0.00	0	0.00	0.00	0	0.00	0.00	-
		11,916.00	12,673.00	354	384	10,849.88	411	15965.29	367	10,702.45	11,092.75	380	10,702.45	11,092.75	13,380.55
Annualized Local Rate															
				14156	15345	\$168,767.54	16452	186,547.45	14691	164,897.10	171,030.98	15189	164,897.10	171,030.98	219,205.40
						\$2,025,210.46		2,238,569.36		1,978,765.22	2,052,371.79		1,978,765.22	2,052,371.79	2,630,464.84

See note below

Note: The additional annual basic revenues for year 2002 under the filed tariffs would produce \$578,093 additional revenue as forecasted.

EXHIBIT 10- REVISED

UNITED TELEPHONE COMPANY, INC.
REVENUE FORECAST FOR THE YEARS 2001 AND 2002 (PRESENT RATES)
AND 2002 (PROPOSED RATES)

	OPERATIONS FORECAST			
	PRESENT RATES		PROPOSED RATES	
	2001	2002	2002	2002
REVENUES				
LOCAL REVENUES				
BASIC AREA REVENUE	1,978,765	2,052,372	2,052,372	2,630,465
LOCAL ACCESS	(373,879)	(400,051)	(400,051)	
OPTIONAL EXTENDED AREA REVENUE	915,500	1,052,825	1,052,825	1,052,825
OPTIONAL REVENUE - VOICE MAIL	61,655	77,069	77,069	77,069
SERVICE ORDERS & FOREIGN LIST	131,400	144,540	144,540	325,170
OTHER LOCAL REVENUE				
TOTAL LOCAL REVENUES	2,713,441	2,926,755	2,926,755	4,085,528
ACCESS REVENUES				
NETWORK ACCESS - INTERSTATE	644,000	682,640	682,640	682,640
ACCESS REVENUE - PAYPHONE	2,004	2,204	2,204	2,204
SWITCHED ACCESS - INTERSTATE	2,566,132	2,617,455	2,617,455	2,617,455
SPECIAL ACCESS - INTERSTATE	125,745	137,062	137,062	137,062
SWITCHED ACCESS - INTRASTATE	2,920,882	2,921,000	2,921,000	2,921,000
SPECIAL ACCESS - INTRASTATE	210,133	229,045	229,045	229,045
TOTAL ACCESS REVENUES	6,468,896	6,589,406	6,589,406	6,589,406
LONG DISTANCE REVENUES	(112,110)	(112,110)	(112,110)	(112,110)
MISCELLANEOUS REVENUES				
DIRECTORY REVENUE	28,850	29,427	29,427	29,427
CABLE TV				
NECA - INTRASTATE	70,865	74,408	74,408	74,408
NECA - INTERSTATE	18,912	19,858	19,858	19,858
CARRIER B&C INTERSTATE	144,047	146,928	146,928	146,928
CARRIER B&C INTRASTATE	440,800	449,616	449,616	449,616
TOTAL MISCELLANEOUS REVENUE	703,474	720,237	720,237	720,237
UNCOLLECTIBLE REVENUE	(128,255)	(141,022)	(141,022)	(141,022)
TOTAL OPERATING REVENUE	9,645,446	9,983,266	9,983,266	11,142,039

EXHIBIT 11 - REVISED

Forecast of Service Charge Revenue Under Proposed Rates

United Telephone Co., Inc.

Type of Order	Quantity	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Increase
Installation	3097	25.50	78,973.50	49.00	151,753.00	
Outside Move	387	25.50	9,868.50	49.00	18,963.00	
Install Jacks	390	29.50	11,505.00	38.50	15,015.00	
Add Feature	4336	17.50	75,880.00	30.00	130,080.00	
Number Change	246	17.50	4,305.00	30.00	7,380.00	
Reconnect	2505	17.50	43,837.50	30.00	75,150.00	
Add Calling Plan	727	8.50	6,179.50	12.50	9,087.50	
Return Check	250	10.00	2,500.00	25.00	6,250.00	
			233,049.00		413,678.50	180,629.50

Components of Service Charge Items

Service Order Charge	8.50	12.50
CO Line Charge	9.00	17.50
Premise Visit Charge	8.00	19.00
Install Jacks	29.50	38.50

EXHIBIT 12 - REVISED

ANALYSIS OF EXTRAORDINARY RETIREMENTS **UNITED TELEPHONE COMPANY, INC.**

LOCATION	ACCOUNT #	AMOUNT RETIRED	MONTHS IN SERVICE	MONTHLY DEPRECIATION RATE	ESTIMATED DEPRECIATION RESERVE	EXTRAORDINARY RETIREMENT
	<u>JULY, 1998</u>					
CONCORD	2212.1200	147,354.89	72	0.0033333333	35,365.17	111,989.72
HICKORY DOWNS	2212.1300	168,670.87	72	0.0033333333	40,481.01	128,189.86
	<u>NOVEMBER, 1998</u>					
NOLANSVILLE	2212.1000	327,004.24	76	0.0033333333	82,841.07	244,163.17
CONCORD	2212.1200	158,511.59	76	0.0033333333	40,156.27	118,355.32
HICKORY DOWNS	2212.1300	144,350.09	76	0.0033333333	36,568.69	107,781.40
CHAPEL HILL	2212.3000	1,045,738.72	76	0.0033333333	264,920.48	780,818.24
ESTILL SPRINGS	2212.5000	25,173.66	76	0.0033333333	6,377.33	18,796.33
	<u>JUNE, 2000</u>					
BELFAST	2212.1100	150,683.23	96	0.0033333333	48,218.63	102,464.60
CONCORF	2212.1000	12,544.98	96	0.0033333333	4,014.39	8,530.59
HICKORY DOWNS	2212.1300	19,415.04	96	0.0033333333	6,212.81	13,202.23
GILES	2212.1400	140,578.01	96	0.0033333333	44,984.96	95,593.05
DEER POINT	2212.1500	120,994.40	96	0.0033333333	38,718.21	82,276.19
CANEY SPRINGS	2212.1600	108,716.05	96	0.0033333333	34,789.14	73,926.91
CHAPEL HILL	2212.3000	670,366.28	96	0.0033333333	214,517.21	455,849.07
CHAPEL HILL LUCENT	2212.3100	231,757.26	96	0.0033333333	74,162.32	157,594.94
ESTILL SPRINGS	2212.5000	108,014.58	96	0.0033333333	34,564.67	73,449.91
UNIONVILLE	2212.6000	527,482.24	96	0.0033333333	168,794.32	358,687.92
COLLEGE GROVE	2212.7000	98,135.15	96	0.0033333333	31,403.25	66,731.90
FOSTERVILLE	2212.8000	167,885.50	96	0.0033333333	53,723.36	114,162.14
FLAT CREEK	2212.9000	144,409.01	96	0.0033333333	46,210.88	98,198.13
		<u>4,517,785.79</u>			<u>1,307,024.17</u>	<u>3,210,761.62</u>
						321,076.16

ANNUAL AMORTIZATION

BALANCE OF UNAMORTIZED RETIREMENT:

12/31/01
12/31/02
12/31/03

3,210,761.62
2,889,685.46
2,568,609.29